



**RCSA submission to the Senate Education and Employment References  
Committee inquiry into the framework surrounding the prevention,  
investigation and prosecution of industrial deaths in Australia**

RCSA welcomes the opportunity to make a submission to the select committee's inquiry into the framework surrounding the prevention, investigation and prosecution of industrial deaths in Australia.

As the peak body representing the staffing sector, including those the Committee refers to as the 'labour hire' sector, in Australia and New Zealand, RCSA and its members have a proud reputation for promoting and improving worker safety. Our members are proactive and engaged in workplace safety issues and we are proud to support their efforts with resources, training and facilities to help ensure their workers stay safe on the job.

Our members use Safe Work Australia's legislative fact sheet series designed specifically for the labour hire sector as a guide for their operations and abide by Safe Work Australia and labour hire firm's obligations for workplace safety.

Our members' firms are aware that they share a joint obligation with the host site for worker health and safety, and they ensure that the people who work for them clearly understand that joint responsibility in relation to their safety at work. In fact, it was RCSA that lobbied for clearer joint obligations under the model WHS law, when created.

RCSA is proud to support our members in keeping their workforce safe on the job by providing education and training to support their efforts. Our members have access to a wide series of forums and educational sessions including monthly online and face to face training on workplace safety.

Our Safety and Risk Working Group works closely with regulators to identify and reduce risk of injury for workers. Members have access to RCSA's workforce information line, which supports them in relation to health and safety inquiries or any questions they may have around their work health safety obligations. RCSA members also have access to a qualified work health and safety adviser to support their work safety efforts.

Our annual award program includes a high profile Risk and Safety Award to promote and celebrate excellence in safety and risk management across the membership.

RCSA's StaffSure certification standard includes a rigorous workplace health and safety component as do labour hire licensing arrangements which operate compulsorily in some States in Australia.

It would be fair to say that there would be many direct hire businesses operating in Australia with fewer supports and a much reduced focus on workplace safety than many of those in the professional labour hire services sector.

Considering our sector's focus and priority on safety, it was disappointing to see the labour hire sector singled out yet again in public debate through this inquiry. This time it relates to a question around safety implications relating to the "increased use of temporary and labour hire workers".

Before we look at the safety record of the labour and on hire services sector, it is worth pointing out, as we have done repeatedly in recent months, that **there is absolutely no evidence to suggest that there has been any increase in the number of people employed under labour hire arrangements in the past twenty years.**

To the contrary, Professor Jeff Borland's economic snapshot from July last year<sup>1</sup> showed there has, in fact, been a slight decrease in the proportion of people working for labour hire firms since the early 2000s.

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<sup>1</sup> Jeff Borland, Department of Economics, University of Melbourne - Labour market snapshot #39 July 2017

Moreover, the labour hire sector in Australia only accounts for a very small proportion of the workforce. In 2015, the Productivity Commission estimated that around 1.8 per cent of employed persons are employees on labour hire arrangements.

The fact is that labour hire employment as a percentage of the workforce has decreased in the past 20 years with only one in 50 employees working in this way.

The specific issue raised in the committee's terms of reference in relation to the Labour Hire sector referenced the 'safety implications' in relation to the use of labour hire.

The terms of reference do not go into detail around 'safety implications' associated with labour hire, but RCSA asserts that there is little data to support the need to consider safety implications in relation to the sector beyond what already exists.

Although the sector only makes up a small proportion of the workforce, the fact that it operates differently to direct hire employment has seen legislation developed in Australia to ensure the particular circumstances which exist in a labour hire arrangement are considered and responded to in the context of health and safety obligations.

Section 46 of the Work Health and Safety Act 2011 requires that all duty holders who have safety obligations around the same matter must consult, cooperate and coordinate as far as is reasonably practical to ensure their concurrent obligations are met. Failure to consult under the Act has been prosecuted in the past. This requirement, and its enforcement are effective and specific measures designed to address arrangements where workers are not hired directly and provide coverage in current law for specifically accommodate labour hire arrangements and supply chains within the work health and safety environment.

We, once again, remind the Committee that it was RCSA that was loudest in our call for the model law to place an obligation upon host organisations to ensure work safety for on-hire workers.

We believe that Section 46 of the Work Health and Safety Act 2011 provides sufficient to specificity in relation to labour and on-hire arrangements and the sector does not require further dedicated consideration from a legislative perspective.

This position is supported by a range of work health and safety data sets, which by no means indicate the labour hire sector is an outlier in relation to worker safety. To the contrary, they show that in most cases the labour hire sector is in line with the direct hire population and in many cases, labour hire outperforms the directly hired workforce in relation to safety.

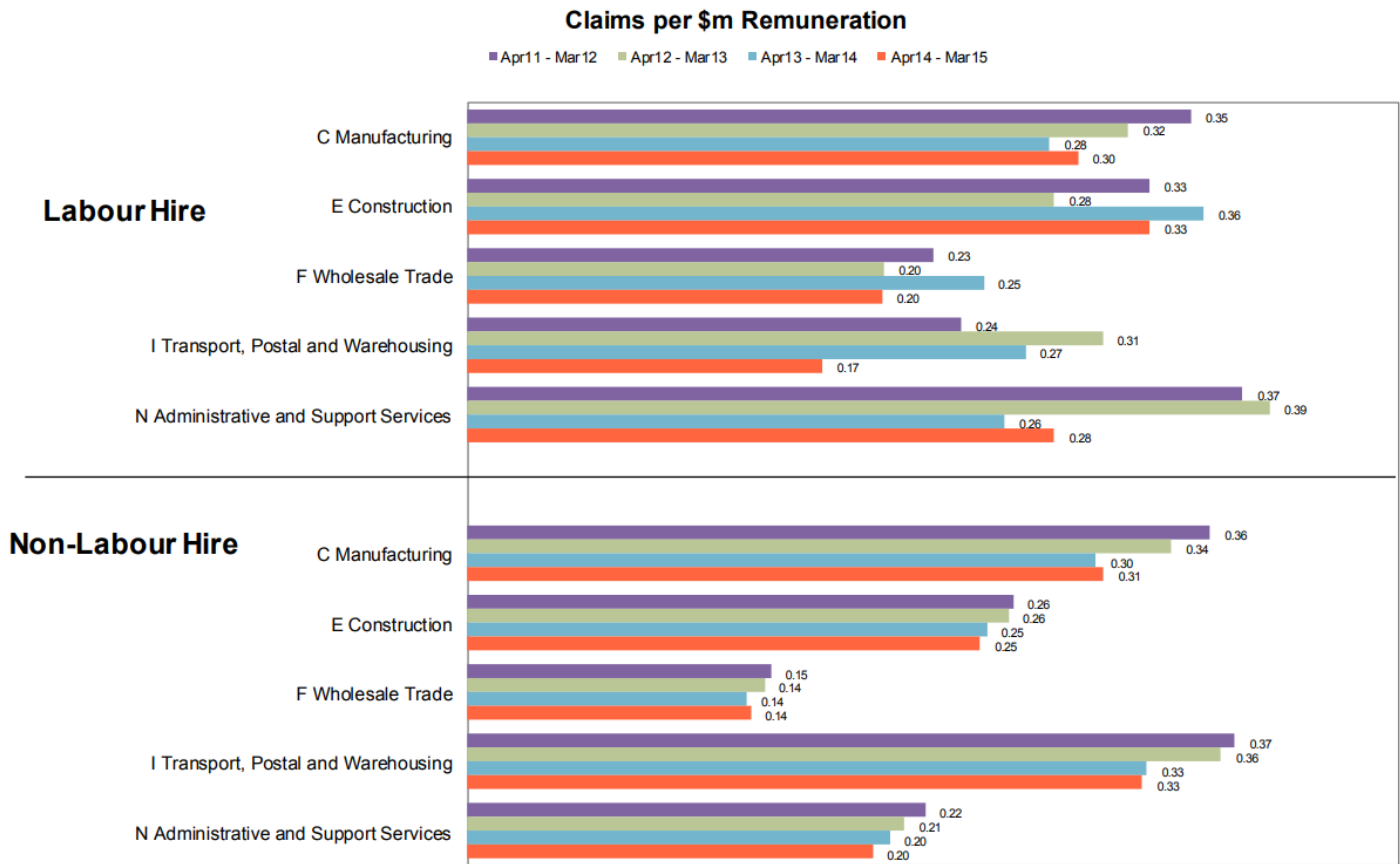
### Data from Work Safe Victoria

The table below, provided by Work Safe Victoria, demonstrates that labour hire employers are largely in line with – and actually experiencing slightly lower rates of claim in many years than – non-labour hire employers when it comes to workers compensation claims per \$m of remuneration.

Labour Hire Employer						
2011/12	2012/13	2013/14	2014/15	2015/16	2016/17	2017/18 *
\$0.20	\$0.20	\$0.16	\$0.16	\$0.16	\$0.17	\$0.18
Non Labour Hire Employer						
2011/12	2012/13	2013/14	2014/15	2015/16	2016/17	2017/18 *
\$0.19	\$0.18	\$0.17	\$0.17	\$0.16	\$0.15	\$0.14

*\*Work Safe Victoria*

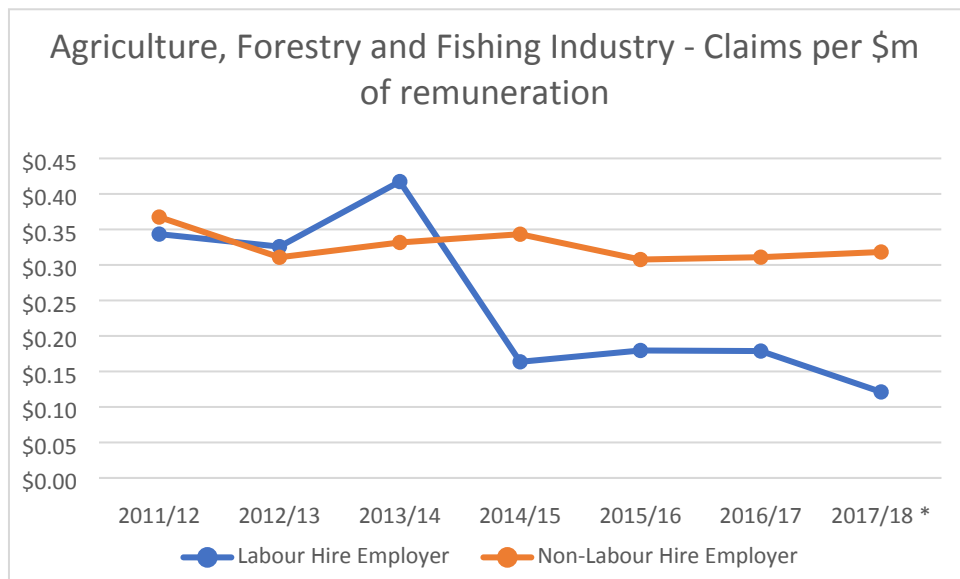
This is consistent with more specific data from Work Safe Victoria in relation to workers compensation claims per million dollars of remuneration in the manufacturing, transport, postal and warehousing sectors:



More detailed data from Work Safe Victoria relating to workers compensation claims per \$m of remuneration indicates a number of industries and sectors where labour hire employers have consistently lower claims than that of non-labour hire employers.

Since 2014, the Agriculture, Forestry and Fishing industry has seen lower claims per \$m of remuneration for labour hire employers than for non-labour hire employers. In the past 3 years, claims by labour hire employers have been close to half of that for non-labour hire employers.

Agriculture, Forestry and Fishing Industry - Claims per \$m of remuneration							
	2011/12	2012/13	2013/14	2014/15	2015/16	2016/17	2017/18 *
Labour Hire Employer	\$0.34	\$0.33	\$0.42	\$0.16	\$0.18	\$0.18	\$0.12
Non-Labour Hire Employer	\$0.37	\$0.31	\$0.33	\$0.34	\$0.31	\$0.31	\$0.32

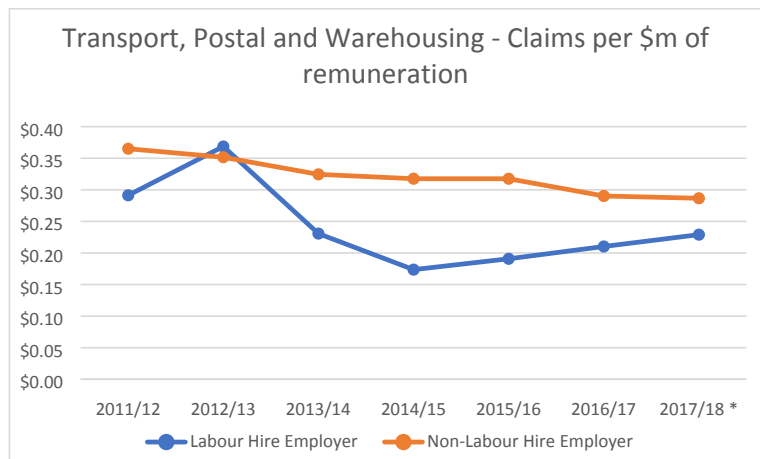


In the Electricity, Gas, Water and Waste Services sector, labour hire employers reported \$0.09 of claims in 2017-2018 compared to \$0.12 by non-labour hire employers.

Comment [BL1]: Graphs ??

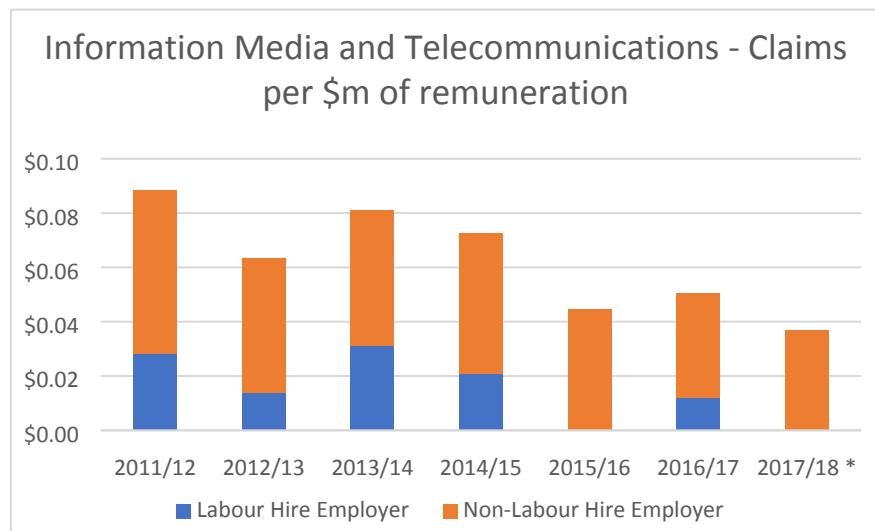
The Transport, Postal and Warehousing sector is another where claims per \$m in remuneration are consistently lower for labour hire employers than for non-labour hire employers.

Transport, Postal and Warehousing - Claims per \$m of remuneration							
	2011/12	2012/13	2013/14	2014/15	2015/16	2016/17	2017/18 *
Labour Hire Employer	\$0.29	\$0.37	\$0.23	\$0.17	\$0.19	\$0.21	\$0.23
Non-Labour Hire Employer	\$0.37	\$0.35	\$0.32	\$0.32	\$0.32	\$0.29	\$0.29



In the Media and Telecommunications industry, claims from labour hire employers have been significantly lower than non-labour hire employers.

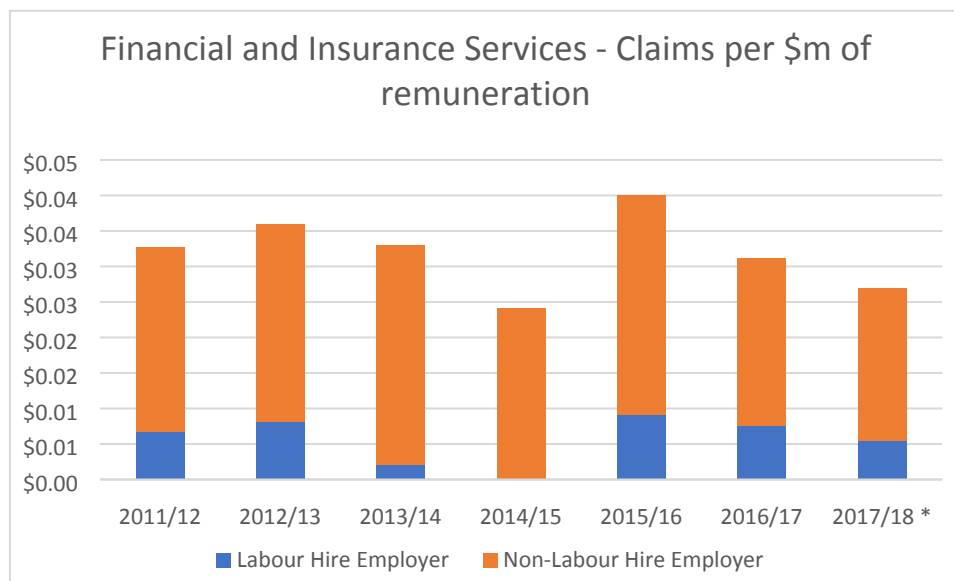
Information Media and Telecommunications - Claims per \$m of remuneration							
	2011/12	2012/13	2013/14	2014/15	2015/16	2016/17	2017/18 *
Labour Hire Employer	\$0.03	\$0.01	\$0.03	\$0.02	\$0.00	\$0.01	\$0.00
Non-Labour Hire Employer	\$0.06	\$0.05	\$0.05	\$0.05	\$0.04	\$0.04	\$0.04





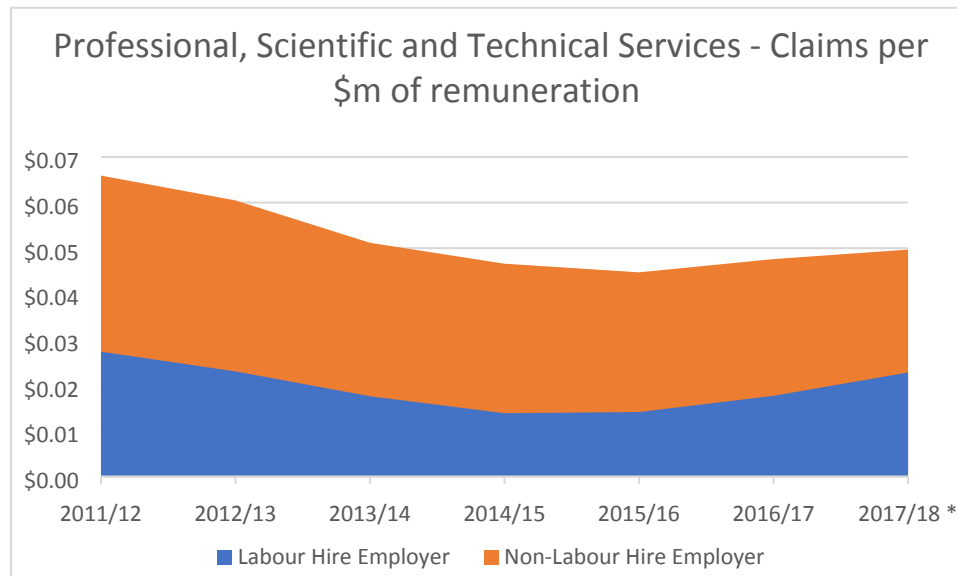
In the Financial and Insurance Services sector, claims against labour hire employers have been consistently below those for non-labour hire employers.

Financial and Insurance Services - Claims per \$m of remuneration							
	2011/12	2012/13	2013/14	2014/15	2015/16	2016/17	2017/18 *
Labour Hire Employer	\$0.01	\$0.01	\$0.00	\$0.00	\$0.01	\$0.01	\$0.01
Non-Labour Hire Employer	\$0.03	\$0.03	\$0.03	\$0.02	\$0.03	\$0.02	\$0.02



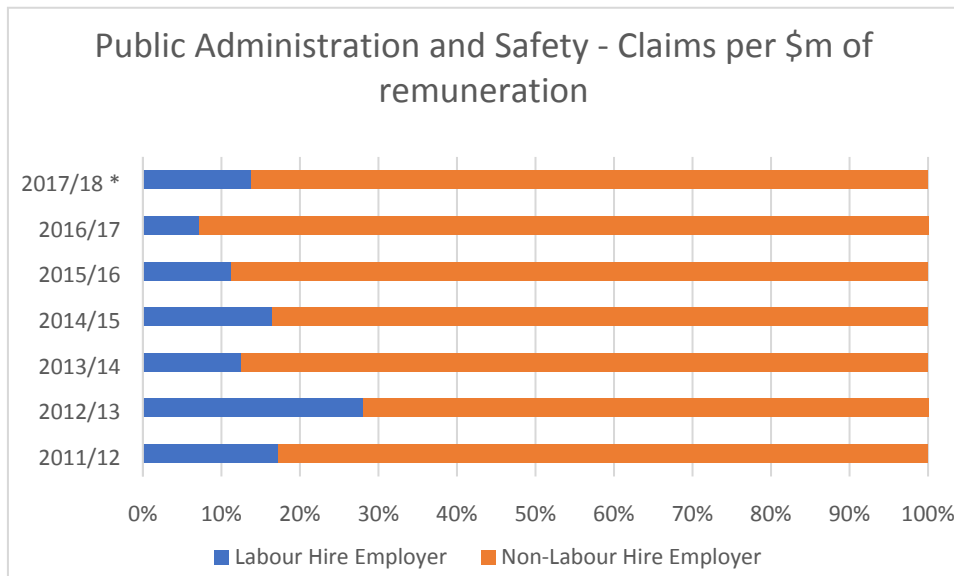
Professional, Scientific and Technical Service sector claims for labour hire employers have been consistently below those for non-labour hire employers.

Professional, Scientific and Technical Services - Claims per \$m of remuneration							
	2011/12	2012/13	2013/14	2014/15	2015/16	2016/17	2017/18 *
Labour Hire Employer	\$0.03	\$0.02	\$0.02	\$0.01	\$0.01	\$0.02	\$0.02
Non-Labour Hire Employer	\$0.04	\$0.04	\$0.03	\$0.03	\$0.03	\$0.03	\$0.03



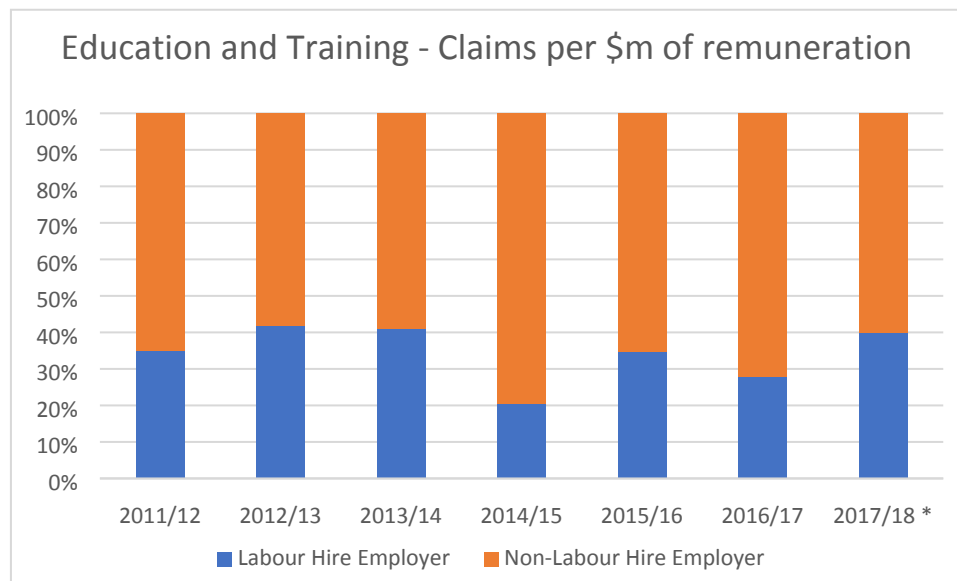
In the Public Administration and Safety industry, claims for labour hire employers have been a fraction of those against non-labour hire employers.

Public Administration and Safety - Claims per \$m of remuneration							
	2011/12	2012/13	2013/14	2014/15	2015/16	2016/17	2017/18 *
Labour Hire Employer	\$0.06	\$0.10	\$0.04	\$0.04	\$0.03	\$0.02	\$0.03
Non-Labour Hire Employer	\$0.28	\$0.25	\$0.25	\$0.23	\$0.24	\$0.23	\$0.22



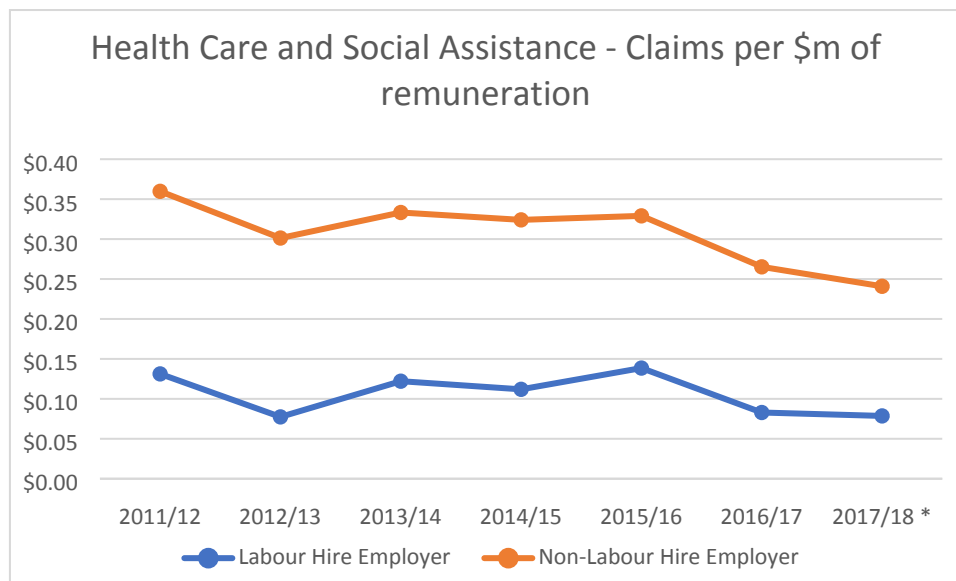
Claims against labour hire operators in the Education and Training sector were at or less than 1/3 of those made against non-labour hire employers in 2014/15 and 2015/16.

Education and Training - Claims per \$m of remuneration							
	2011/12	2012/13	2013/14	2014/15	2015/16	2016/17	2017/18 *
Labour Hire Employer	\$0.07	\$0.09	\$0.09	\$0.03	\$0.06	\$0.04	\$0.06
Non-Labour Hire Employer	\$0.13	\$0.13	\$0.12	\$0.12	\$0.11	\$0.12	\$0.10



In Health Care and Social Assistance, claims for labour hire employers have been tracking consistently below that of non-labour hire employers. .

Health Care and Social Assistance - Claims per \$m of remuneration							
	2011/12	2012/13	2013/14	2014/15	2015/16	2016/17	2017/18 *
Labour Hire Employer	\$0.13	\$0.08	\$0.12	\$0.11	\$0.14	\$0.08	\$0.08
Non-Labour Hire Employer	\$0.23	\$0.22	\$0.21	\$0.21	\$0.19	\$0.18	\$0.16



Claims in the Arts and Recreation Services sector have been decreasing since 2011. Claims for labour hire employers have been consistently below that for non-labour hire employers in each period.

Arts and Recreation Services - Claims per \$m of remuneration							
	2011/12	2012/13	2013/14	2014/15	2015/16	2016/17	2017/18 *
Labour Hire Employer	\$0.28	\$0.23	\$0.03	\$0.21	\$0.24	\$0.13	\$0.15
Non-Labour Hire Employer	\$0.31	\$0.29	\$0.30	\$0.29	\$0.26	\$0.24	\$0.22

## Data from Safe Work Australia

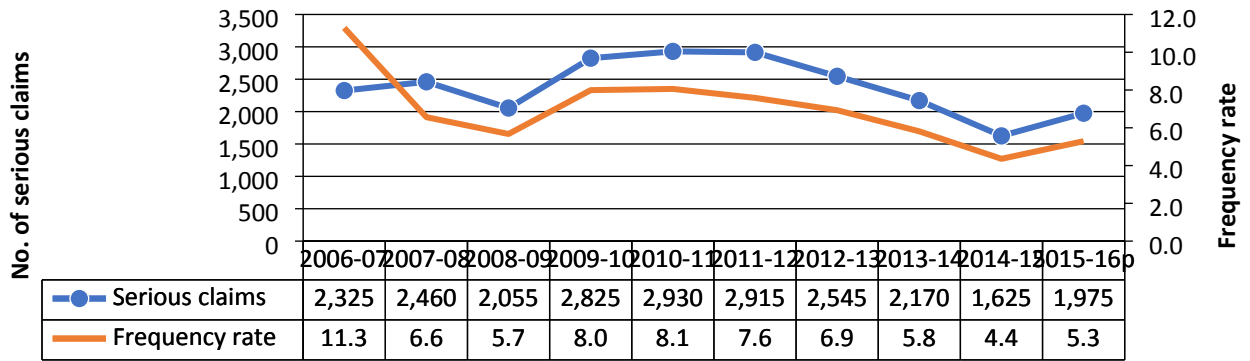
Data provided by Safe Work Australia to the Australian Chamber of Commerce and Industry (ACCI) indicated the overall number of serious claims per million hours worked has reduced from 2325 in 06-07 to 1625 in 2014-15 for the employment services industry.

**Table 1 - Number & frequency rate of serious claims for Employment services industry (ANZSIC'06 - 721), 2006-07 to 2015-16p, Australia**

Year	Serious claims	Frequency rate
2006-07	2,325	11.3
2007-08	2,460	6.6
2008-09	2,055	5.7
2009-10	2,825	8.0
2010-11	2,930	8.1
2011-12	2,915	7.6

Frequency of claims has also dropped from 11.3 to 4.4 within the same period.

### Number of serious claims for Employment services industry (ANZSIC'06 - 721)



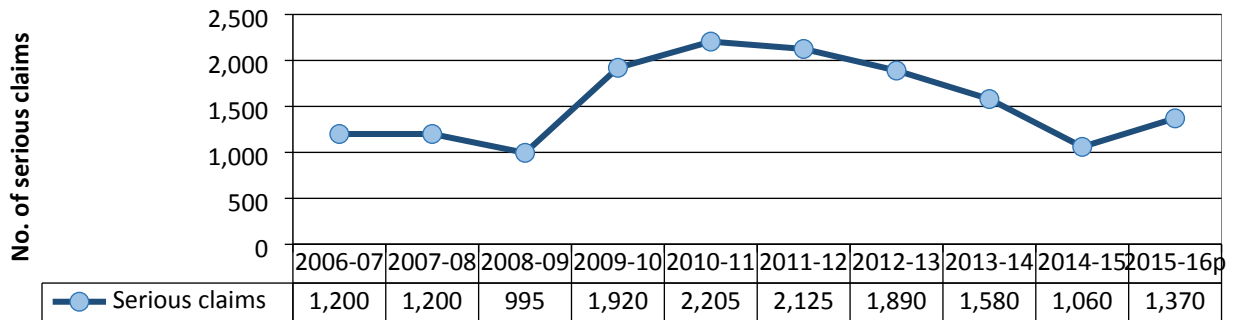
The Labour supply services industry specifically has seen its number of serious claims drop by more than half from 2,205 in 2010-11 to 1,060 in 2014-15 (table below)

**Table 2 - Number of serious claims for Labour supply services industry (ANZSIC'06 - 7212), 2006-07 to 2015-16p, Australia**

Year	Serious claims
2006-07	1,200
2007-08	1,200
2008-09	995
2009-10	1,920
2010-11	2,205
2011-12	2,125
2012-13	1,890
2013-14	1,580
2014-15	1,060
2015-16p	1,370
<b>Total</b>	<b>15,550</b>



### Number of serious claims for Labour supply services industry (ANZSIC'06 - 7212)



#### Australian Workers Compensation Statistics 2015-16 (Safe Work Australia report)

The Safe Work Australia report - Australian Workers Compensation Statistics 2015-2016 codes “labour hire arrangements” to the labour supply services industry class, which is in the administrative and support services industry.

The report demonstrates a decrease the in number of serious injury claims in the Administrative and Support service industry both in terms of per million hours worked and per 1000 employees. While all industries have improved safety, the Administrative and Support service industry category has reduced the frequency of injury by 52%. (Tables attached below)

While some industries recorded increasing serious claim numbers, frequency rates have fallen in all industries since 2000-01. The largest fall in frequency rate over the period occurred in the Mining industry, which fell 59 per cent. Large decreases in frequency rates were also recorded in Financial and insurance services (down 53 per cent) and Administrative and support services (down 52 per cent). The smallest improvements occurred in Education and training services (down 16 per cent), Wholesale trade (down 20 per cent), and Public administration and safety (down 22 per cent) industries.

**Table 22: Frequency rate (serious claims per million hours worked) by industry, 2000-01 and 2010-11 to 2015-16p**

Industry	2000-01	2010-11	2011-12	2012-13	2013-14	2014-15	% chg	2015-16p
Health care and social assistance	12.1	10.7	10.5	10.0	9.1	8.7	-29%	7.4
Manufacturing	13.9	10.5	10.7	9.5	8.8	8.8	-37%	8.4
Construction	13.5	9.0	9.0	8.4	7.8	8.1	-40%	8.0
Retail trade	8.8	6.4	6.5	6.1	6.0	5.6	-36%	5.3
Transport, postal and warehousing	14.9	11.8	12.2	10.4	9.6	8.6	-42%	7.7
Public administration and safety	8.8	9.1	8.1	8.3	7.2	6.9	-22%	6.1
Education and training	5.5	5.6	5.5	4.9	4.6	4.6	-16%	4.3
Accommodation and food services	8.9	7.2	7.5	7.0	6.6	6.1	-31%	5.9
Wholesale trade	8.2	7.7	7.1	6.5	6.6	6.6	-20%	6.6
Administrative and support services	11.6	9.4	8.3	7.4	6.7	5.6	-52%	5.8
Agriculture, forestry and fishing	14.3	10.5	10.8	10.7	9.1	9.9	-31%	8.9
Other services	7.8	5.5	6.3	6.0	5.2	4.7	-40%	4.3
Arts and recreation services	13.7	9.8	9.7	8.0	9.2	8.0	-41%	7.1
Mining	10.7	5.4	5.3	5.2	4.9	4.5	-59%	4.1
Professional, scientific and technical services	2.0	1.7	1.5	1.3	1.2	1.2	-42%	1.0
Electricity, gas, water and waste Services	9.3	5.0	4.6	4.9	4.5	4.6	-50%	4.2
Rental, hiring and real estate Services	4.6	3.9	3.6	3.2	3.0	2.8	-38%	2.6
Financial and insurance Services	2.2	1.5	1.3	1.2	1.0	1.0	-53%	0.8
Information media and telecommunications	3.1	2.0	2.0	1.6	1.8	1.6	-47%	1.4
<b>Total</b>	<b>9.5</b>	<b>7.5</b>	<b>7.3</b>	<b>6.8</b>	<b>6.3</b>	<b>6.0</b>	<b>-36%</b>	<b>5.6</b>

The pattern of incidence rates by industry is similar to the pattern for frequency rates, with incidence rates falling in all industries. The largest falls in incidence rates occurred in the Mining (down 61 per cent), Financial and insurance services (down 53 per cent) and Administrative and support services (down 53 per cent) industries.

**Table 23: Incidence rate (serious claims per 1000 employees) by industry, 2000–01 and 2010–11 to 2015-16p**

Industry	2000-01	2010-11	2011-12	2012-13	2013-14	2014-15	% chg	2015-16p
Health care and social assistance	17.8	15.3	15.3	14.3	13.0	12.3	-31%	10.7
Manufacturing	27.2	20.2	20.7	18.1	16.4	16.6	-39%	15.5
Construction	27.7	18.0	18.0	17.1	15.9	16.1	-42%	16.0
Retail trade	12.2	8.8	8.9	8.5	8.3	7.9	-35%	7.3
Transport, postal and warehousing	29.3	22.4	23.0	19.7	18.1	16.3	-44%	14.4
Public administration and safety	15.5	15.3	13.9	14.2	12.1	11.5	-25%	10.2
Education and training	9.1	8.7	8.5	7.5	7.2	7.2	-21%	6.5
Accommodation and food services	11.9	8.9	9.3	8.9	8.4	7.8	-35%	7.4
Wholesale trade	16.1	14.7	13.4	12.2	12.5	12.7	-21%	12.3
Administrative and support services	19.1	15.2	13.5	12.1	10.8	9.0	-53%	9.2
Agriculture, forestry and fishing	27.8	20.6	21.4	20.7	18.1	19.1	-31%	17.5
Other services	13.7	9.5	10.9	10.3	9.0	7.9	-42%	7.4
Arts and recreation services	18.6	12.4	12.8	10.7	12.0	10.1	-46%	9.7
Mining	25.1	12.5	12.2	11.9	11.1	9.9	-61%	9.2
Professional, scientific and technical services	3.8	3.2	2.8	2.3	2.3	2.1	-45%	1.8
Electricity, gas, water and waste Services	17.8	9.8	9.0	9.4	8.6	8.8	-50%	8.2
Rental, hiring and real estate Services	8.8	6.9	6.7	5.9	5.4	5.2	-41%	4.8
Financial and insurance Services	4.0	2.8	2.4	2.1	1.9	1.9	-53%	1.4
Information media and telecommunications	5.4	3.5	3.7	2.8	3.2	2.9	-46%	2.5
<b>Total</b>	<b>16.3</b>	<b>12.5</b>	<b>12.3</b>	<b>11.3</b>	<b>10.6</b>	<b>10.0</b>	<b>-38%</b>	<b>9.3</b>

The pattern of incidence rates by industry is similar to the pattern for frequency rates, with incidence rates falling in all industries. The largest falls in incidence rates occurred in the Mining (down 61 per cent), Financial and insurance services (down 53 per cent) and Administrative and support services (down 53 per cent) industries.

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Manufacturing	27.2	20.2	20.7	18.1	16.4	16.6	-39%	15.5
Construction	27.7	18.0	18.0	17.1	15.9	16.1	-42%	16.0
Retail trade	12.2	8.8	8.9	8.5	8.3	7.9	-35%	7.3
Transport, postal and warehousing	29.3	22.4	23.0	19.7	18.1	16.3	-44%	14.4
Public administration and safety	15.5	15.3	13.9	14.2	12.1	11.5	-25%	10.2
Education and training	9.1	8.7	8.5	7.5	7.2	7.2	-21%	6.5
Accommodation and food services	11.9	8.9	9.3	8.9	8.4	7.8	-35%	7.4
Wholesale trade	16.1	14.7	13.4	12.2	12.5	12.7	-21%	12.3
Administrative and support services	19.1	15.2	13.5	12.1	10.8	9.0	-53%	9.2
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Other services	13.7	9.5	10.9	10.3	9.0	7.9	-42%	7.4
Arts and recreation services	18.6	12.4	12.8	10.7	12.0	10.1	-46%	9.7
Mining	25.1	12.5	12.2	11.9	11.1	9.9	-61%	9.2
Professional, scientific and technical services	3.8	3.2	2.8	2.3	2.3	2.1	-45%	1.8
Electricity, gas, water and waste Services	17.8	9.8	9.0	9.4	8.6	8.8	-50%	8.2
Rental, hiring and real estate Services	8.8	6.9	6.7	5.9	5.4	5.2	-41%	4.8
Financial and insurance Services	4.0	2.8	2.4	2.1	1.9	1.9	-53%	1.4
Information media and telecommunications	5.4	3.5	3.7	2.8	3.2	2.9	-46%	2.5
<b>Total</b>	<b>16.3</b>	<b>12.5</b>	<b>12.3</b>	<b>11.3</b>	<b>10.6</b>	<b>10.0</b>	<b>-38%</b>	<b>9.3</b>

## **About RCSA**

RCSA is the peak body for the recruitment, consulting and staffing industry in Australia and New Zealand representing over 3,000 Corporate and Individual Members.

RCSA promotes and facilitates professional practice within the recruitment and staffing industry. It sets the benchmark for industry standards through representation, education, research and business advisory support to our member organisations and accredited professionals who are bound by the ACCC authorised RCSA Code for Professional Conduct through membership.

RCSA is a proud member of the World Employment Confederation, the voice of the employment industry at global level, representing labour market enablers in 50 countries and 7 of the largest international workforce solutions companies.